

DEVELOPING A BUSINESS PLAN
FOR THE D/FW INTERNATIONAL AIRPORT
DEPARTMENT OF PUBLIC SAFETY
FIRE RESCUE TRAINING ACADEMY

STRATEGIC MANAGEMENT OF CHANGE

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ABSTRACT

This research project analyzed the issue of developing a business plan for the Dallas/Fort Worth International Airport's Fire Rescue Training Academy (DFW/FRTA). The problem was that the DFW/FRTA has not had a current business plan in place since opening in 1994. Furthermore, the increase in fire training has created a need for more money and resources to operate the academy. The purpose of this research project was to develop a current business plan for the DFW/FRTA.

The research employed both historical, descriptive and action research methodology to answer the following questions:

- What is a business plan?
- What are the components of a business plan?
- Should the Fire Rescue Training Academy be operated as a business?
- How will the Fire Rescue Training Academy benefit from a current business plan?

The principle procedure employed was to review the initial business plan from 1993. Additional information was gathered from literary sources and DFW/FRTA records as a basis of establishing the current business plan.

The major result of this research was the development of a current business plan for the Dallas/Fort Worth International Airport's Fire Rescue Training Academy.

The information gained was then organized and combined resulting in the development of a business plan for the Fire Rescue Training Academy. The business plan was presented to the Bill Wekenborg, Division Commander of the Fire Rescue Training Academy for immediate implementation.

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INTRODUCTION

The Dallas/Fort Worth International Airport's Department of Public Safety (DFW/DPS) has recognized the need to update and develop a new business plan for the Fire Rescue Training Academy (FRTA). The initial business plan for the FRTA was developed in 1993 during the planning process for the new facility. Since the opening of the Academy, the business plan has not reflected a current and realistic picture of the business operations.

The Fire Rescue Training Academy has enjoyed significant growth over the past several years in the number of attendees and the number of courses delivered to the customer. However, the Fire Rescue Training Academy does not have a current business plan to reflect these past successes or to predict the future growth. The Fire Rescue Training Academy must compete with other D/FW Airport Board departments for limited resources and funding. A business plan will enable the Fire Rescue Training Academy the ability to document the past growth and the potential for future success.

The purpose of this applied research project was to develop a business plan for the Department of Public Safety's Fire Rescue Training Academy. Action research methodology was employed to answer the following questions:

1. What is a business plan?
2. What are the components of a business plan?
3. Should the Fire Rescue Training Academy be operated as a business?
4. How will the Fire Rescue Training Academy benefit from a current business plan?

BACKGROUND AND SIGNIFICANCE

Since the inception of the Department of Public Safety (DPS) in 1973, the training of personnel has been a high priority. With an aggressive approach, the fire training program has evolved from using a makeshift terminal mockup, old structures, and environmentally unfriendly flammable fuel pits to a state-of-the-art regional training facility (Wekenborg, 1999).

The explosive growth of Dallas/Fort Worth International Airport (DFW) and expansion of services by the airline industry prompted the relocation of the DPS Fire Training Facility. In 1990, the DPS Fire Services conceived a plan to use advanced training systems using computers, full-scale simulators and environmentally friendly fuel. Symtron Systems, Inc. of Fair Lawn, New Jersey was selected to develop and build the aircraft fire rescue trainers that would meet the demands faced by airport firefighters. According to Bill Wekenborg, Division Commander for Fire Rescue Training Academy, “the program and concept was a radical departure from the traditional method of training airport firefighters.” The Federal Aviation Administration (FAA) reviewed and approved the use of full-scale aircraft simulators and propane gas as the primary fuel. Bill Wekenborg adds, “this (new) technology has permitted development of enhanced aircraft fire rescue training that is flexible and can be maneuvered to meet the trainees’ needs.”

The DPS Fire Rescue Training Academy (FTA) is responsible for creating, developing, delivering, and marketing public safety training programs. The programs include aircraft rescue firefighting, structural firefighting, industrial fire brigade training and other specialized topics. The FRTA provides training programs for the internal and external customers. The internal customers, members of the Department of Public Safety, receive all training to meet and/or

exceed the state and federal regulatory agency requirements for initial certifications and continuing education. External customers represent many agencies from local, state, federal and international communities. The FRTA reaches the external customer through an aggressive marketing campaign including: flyers, brochures, web site and conferences.

The philosophy of the FRTA is to create a training environment based on realistic incidents that have occurred in the Public Safety community and around the world. The scenarios and course curriculum are developed and delivered with a state-of-the-art training facility, multi-media computer based training programs and a highly qualified instructional staff. The informational exchange and practical applications provide each participant with an opportunity to gain knowledge and skills from past experiences.

In 1993, Mr. Jeff Fegan became the Executive Director of the Dallas/Fort Worth Airport Board. His philosophy has been to run the Airport as a business. Before Mr. Fegan's appointment, the airport maintained an environment of minimal growth and economic opportunity. Since that point, Mr. Fegan has changed the mindset and created an atmosphere of economic growth. The increase in business has enabled the airport to lower operating costs, thus passing the savings to the airline tenants.

Since the opening of the Fire Rescue Training Facility in 1994, it has been increasingly important to review past performances and to project future growth. The Fire Rescue Training Academy must compete annually with other Airport Board Departments for fund allocation. The only existing business plan was completed in early 1994, before any clear plan or direction was set.

The Executive Fire Officer must work in an environment of change. The National Fire Academy's *Strategic Management of Change* explored ways to

manage change by evaluating current conditions and planning for future needs (National Fire Academy [NFA], 1999).

LITERATURE REVIEW

In the past, the fire service has not shown a need for a business plan. However, in today's environment, many organizations within a city and departments are fighting over limited resources. It has become vital for the D/FW International Airport Department of Public Safety's Fire Rescue Training Academy to have a business plan in place. Planning is nothing new to management or the fire service. Luther Gulick wrote in 1937 that the duties of an executive included planning, organizing, staffing, directing, coordinating, reporting and budgeting (McGary, 1984, p. 30). The fire service has used parts of a business plan over the years, but it has not called it a business plan by name.

Over the past few decades, the business plan in the fire service has been known as strategic planning. A strategic plan is a process of matching services and activities with changed and changing environmental conditions (Ross, 1995, p. 100). In the private sector, a business plan acts as road map for entrepreneurs setting goals, analyzing markets, forecasting needs and calculating the point where a new business begins to turn a profit (Knotek, 1998). Strategic planning and business plans both try to anticipate problems and ways to react to them. A business plan is the ruler by which business owners measure progress, the sailing plan by which business owners navigate economic trends, industry forces, natural disasters and other variables (Esparza, 1998). The purpose of a business plan is to provide focus on services, obtain resources and

identify key success factors (Konstans, 1999).

There are several components of a business plan. The first part of any good plan is a vision. Chief Russell Sanders (1990) believes that, “formulating and communicating your vision of the future is no more than dreaming out loud, unless you can bring about change” (p. 95). It is the vision of the Fire Rescue Training Academy to be the global leader in responding to the training needs of our customers and to set the standard that exceeds our customer’s expectations in training delivery (Fire Rescue Training Academy Business Plan [FTABP], 1999, p. 3). There are many factors that determine the internal effectiveness of a fire department, but none is more important than the ability to formulate and communicate vision (Sanders, 1990, p. 95).

A mission is developed from the vision of the department or business. If we accept the premise that people do not plan to fail, but simply fail to plan, we should be able to reverse that action to ensure our fire-service organizations succeed in developing and meeting their mission statements (McGary, 1984, p. 30). It is the mission of the Fire Rescue Training Academy to provide state-of-the-art emergency services training that will exceed our customer’s expectation (FTABP, 1999, p. 3). McGary notes, “to meet the mission, a department must adopt specific goals, with appropriate objectives and an action plan to accomplish each” (p. 30). Whatever your objective, the business plan must clearly and concisely convey your firms goals and strategies and address the needs of the specific audience you are targeting (Ross, 1999, p. 1). The first part of an effective business plan addresses the vision, mission, goals and objectives.

The second key part of an effective business plan is the marketability of your product or service. What is the sales strategy? More importantly, why does the fire service need to market it services? In his National Fire Academy Applied

Research Project, “A different approach to fire service marketing,” Dan Cotten (1992) noted that there has been very limited literature printed and studies conducted that pertain specifically to fire departments marketing themselves in competition with other departments within the city structure as far as budgets and administrative support. He also discovered that, “it is essential that executive fire officers devote the time and energy to identify the marketing needs for their community, develop a marketing strategy and most of all, be creative in identifying new means to market the fire service and implement these programs (p. 2). The Fire Rescue Training Academy not only has to compete for limited resources within the business structure; it must also compete with other training facilities throughout the country.

An audit of the key services can identify critical issues within the business structure. A management audit serves to analyze the present situation of the organization (Ross, 1995, p. 102). According to Ross, the following critical issues should be addressed:

- What are the organization’s strengths and weaknesses?
- What are the windows of opportunity?
- What should be changed and why?
- How difficult will it be to change things?

This self-evaluation can prove valuable in determining the future direction and growth of your organization. It is important to be thorough and honest in this assessment.

The final key component to the business plan is the financial management information. It is extremely important to use only factual numbers and pertinent numbers. William Sahlman (1997) notes that in private businesses, “the business plans are wildly optimistic, padding their projections. Investors know

about the padding effect and therefore discount the figures in business plans” (p. 98). The financial information being presented in the business plan should have a specific purpose for determining future goals.

PROCEDURES

Research Methodology

The desired outcome of this research was to develop a business plan for the Dallas/Fort Worth International Airport Department of Public Safety’s Fire Rescue Training Academy. The procedure used in preparing this research paper consisted of a literature review from the Learning Resource Center (LRC) at the National Fire Academy in April of 1999. Additional literature reviews were conducted in libraries in the Dallas and Fort Worth area, as well as literature resources from the D/FW International Airport’s Department of Public Safety from May to September 1999.

The literature review provided information in answering the research questions. Both the information from private sector and public fire department literature were utilized in this process. Furthermore, information was collected from historical training files of the D/FW Fire Rescue Training Academy and used in developing the new business plan.

An informal interview was conducted with Bill Wekenborg, Division Commander of the Dallas/Fort Worth International Airport Fire Rescue Training Academy (Appendix A). He was instrumental in the planning and development of the new training facility.

All information gathered, as well as the final draft of the Fire Rescue Training Academy Business Plan, were compared to the initial business plan

completed in early 1994. The intent of this project is to develop a current business plan for the Fire Rescue Training Academy that will enable the facility to justify the academy's existence and compete for limited funding.

Definition of Terms

Business Plan. A business plan is a written statement that describes and analyzes your business and gives detailed projections about its future. It serves as the master plan to direct and monitor your company's ongoing operations.

Strategic Plan. A process of matching services and activities with changed and changing environmental conditions. Strategic planning provides a framework for the improvement and restructuring of programs, management, collaborations and evaluation of the organization's progress.

Limitations

The literature research discovered that the majority of material and articles on business plans were written specifically for the entrepreneurial businesses. In the past, the public safety sector has used the term "strategic planning" to describe the information found in a business plan. Recently, public agencies are beginning to formulate business plans for their departments.

Results

A copy of the current business plan for the Dallas/Fort Worth International Airport's Fire Rescue Training Academy is contained in Appendix A.

Answers to Research Questions:

1. What is a business plan?

First to understand a "business plan," it is important to know what one is. According to Michael A. Ross (1999), CPA, a "business plan defines your corporate objectives, communicates them to others, and serves as the basis for your financing proposal" (p. 1). The business plan "must clearly and concisely convey your firm's goals and strategies and address the needs of the specific audience you are targeting" (Ross, 1999, p. 1). A business plan can lay the foundation for the success of your company or organization.

For the Fire Service, a business plan is nothing more than a strategic plan for the future on paper. A strategic plan is a long-term, coordinated, and comprehensive plan for meeting goals (Owens, O'Toole, and Marshall, 1988, p. 35). As with a business plan, it contains the strategy and tactics for leading the organization into the future environment.

A business plan can be used in a number of ways. The plan can be used to market a particular service, inform individuals of your organization or be used to justify additional funds and resources. A business plan can vary in length and exact information contained within each one. However, there are basic components contained within each business plan.

2. What are the components of a business plan?

The first component of a business plan is the reason for the plan and the basic organization of the business. This should include a description of the business with clearly identified goals and objectives (Small Business Administration [SBA], 1997, p. 2). The foundation of a good business plan rests on this initial step. Robert A Neale (1988) states, “often, we rush headlong into a program without considering fully the goals and objectives that we are trying to achieve. We must continually ask ourselves if the program goals justify the time and money we throw at them” (p. 11). As a part of this initial process, a good business plan should include the vision of the organization or department. Chief Russell Sanders (1990) notes, “Vision is critical to the fire department’s future. Without vision, you don’t know where you’re going. And, if you don’t know where you’re going, you can just sit back and relax, because any road will take you there” (p. 95).

The second component is to complete a current analysis and determine a market strategy. The management audit serves to analyze the present situation of the organization (Ross, 1995, p. 102). According to R. G. Simerly (1987), “this step of strategic planning should develop a heightened awareness on the part of staff of the strengths and vulnerability of the organization (p. 13). From this point, an informed decision can be made on the future direction.

Thirdly, a business plan must include a financial management plan. Sound financial management is one of the best ways for your business to remain profitable and solvent (SBA, 1997, p. 6). Included in the financial aspects is the operating budget. The operating budget will reflect your priorities in terms of how you spend your money, the expenses you will incur and how you will meet those expenses (SBA, 1997, p. 6). When competing for funds, it is important for a

department to have a clear set of financial records.

The appearance and format of the business plan can be as critical as its content (Ross, 1999, p. 1). It is important that the plan be logically organized and structured to ensure the maximum readability. According to Ross (1999), “your plan must be written to clearly identify and highlight the ‘unique selling points’ about your business concept and persuade the reader to take positive action on your proposal and financing requirements” (p. 1).

3. Should the Fire Rescue Training Academy be operated as a business?

According to Bill Wekenborg, Division Commander for the FRTA, the academy remains in constant competition for funding resources from other departments at Dallas/Fort Worth International Airport. Although, the Fire Rescue Training Academy is a non-profit organization, it must generate enough income to offset expenses. This is accomplished by delivering the most cost effective training possible to members of the Dallas/Fort Worth International Airport’s Department of Public Safety (DFW/DPS) and other agencies throughout the country. During the past five years, the FRTA has been able to defer most of the cost of training DFW/DPS (internal personnel) from income collected from outside agency training.

The Fire Rescue Training Academy must compete with other regional fire training facilities throughout the country. A business plan will document our programs in comparison with others in the market place. The survival of the academy is based on the ability to be competitive with these other facilities.

4. What are the benefits from a current business plan for the Fire Rescue Training Academy?

Just recently, the Director of Operations for the Dallas/Fort Worth International Airport required that the Fire Rescue Training Academy identify its profits and losses. Since the academy was open in 1994, numerous records and reports were kept outlining the activities and costs associated with training operations. However, no current or formal business plan was available outlining these past accomplishments or future goals. The initial business plan from 1993 was poorly constructed and did not accurately reflect the future activities of the academy.

A current business plan will reflect the past accomplishments and the future goals. It will allow the Dallas/Fort Worth Airport Board leadership the ability to make informed decisions concerning the future resources and funds required to operate the facility.

DISCUSSION

In today's business environment, it is important for a leader or manager to be economically responsible. A major part of this responsibility is not only being able to identify past performances, but also more importantly being able to show where you're going. A good business plan will identify all these issues.

Does the Fire Service or the D/FW Fire Rescue Training Academy really need a business plan? I believe the answer is "yes." The Dallas/Fort Worth Airport Board, just like city management, is being held accountable to their customers (taxpayers) for using limited resources. In the past, you would not consider the Fire Service as a highly profitable organization. It still isn't.

However, a good business plan will document your past performances and hopefully lay the foundation for a successful future.

The initial business plan was developed prior to the opening of the facility in 1994. Many of the figures and data used in the formulation of the business plan were highly speculative. In reviewing the “old” business plan, it was impossible to predict the immediate success of many training programs. If a review had taken place and the business plan updated annually, I believe that there would be more accurate forecasting in place today.

The Fire Rescue Training Academy must compete with two external forces. First, as a regional training facility for Aircraft Rescue Fire Fighting (ARFF) Programs, the academy must remain competitive with other regional facilities. This requires constant evaluations of courses and cost associated with program deliveries. An informal market analysis is normally conducted annually to ensure that programs remain inline with competitors. It is not uncommon, as a regional facility, to receive fire fighters from all over the country. Most attendees are looking for quality programs at an affordable cost.

Secondly, and most recently, the FRTA has been under extreme pressure from Airport Board Staff to justify all cost and revenues. One of the first things discovered during this process was that there was not a current business plan for the academy. The information from the Fire Rescue Academy has been well documented over the years, but nothing was available for Airport Board Management to review. In keeping with the philosophy of “running it like a business,” it has now become necessary to present the activities in a business plan format. In my opinion, we have been doing business plans for a long time, but it was known as strategic planning.

The research has indicated that it only makes sense to follow the business

plan outline. I believe that it will document our success over the year and give us a roadmap for the future.

RECOMMENDATION

It is the recommendation of the author that the Fire Rescue Training Academy Business Plan resulting from this applied research project be adopted and implemented as soon as possible. Furthermore, an annual date should be set in October to review the current business plan. The annual review will keep the information current and provide adequate information to determine future

goals. It is critical that such reviews be made so that the Fire Rescue Training Academy can remain competitive for future funds and other resources.

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Appendices Not Included. Please visit the Learning Resource Center on the Web at <http://www.lrc.fema.gov/> to learn how to obtain this report in its entirety through Interlibrary Loan.